Newsletter for January, 2007 from Club Data Corporation.

This newsletter is sent every month to Club Office users to:
- Remind you if there is a new software update on the Clubdata.Com website
- Provide tidbits, helpful hints, and information that you may find of value.

Year End Processing:
Many of you are asking about the year end processing that you will need to address as you complete 2006 and move into 2007. The attached document should point you in the right direction and answer most (and hopefully all) of your questions. Certainly, don't hesitate to contact us if clarification is needed.

Software Updates:
Club Office software is being updated continuously, either to add new features or to correct situations that has been identified. It is our intention that all users on support will take the time to update their software once a month, on the first or after, so that everyone is on the "latest and greatest" version of code and can take advantage of the latest features.

The December month end software update will be on the web site by December 31st. Be sure to download and install the update.

In addition, there will be a new Payroll Module update by January 2nd that will introduce new payroll tax rates for 2007.

- It's important that you not update the Payroll Module until after you have completed and processed all of the 2006 payroll activity.
- The new Payroll Module needs to be updated prior to processing any payroll for 2007.

This will be clearly defined on the web site, but we wanted to give you a heads up.

W-2's and 1099 Processing:
For those of you that are having us process your year end W-2's and 1099's, please send us your A/P and Payroll backup files <u>after you have processed your final A/P and Payroll runs</u> for the year. You could send just the A/P and the Payroll backups or you could send the entire data base depending on what is easier for you.
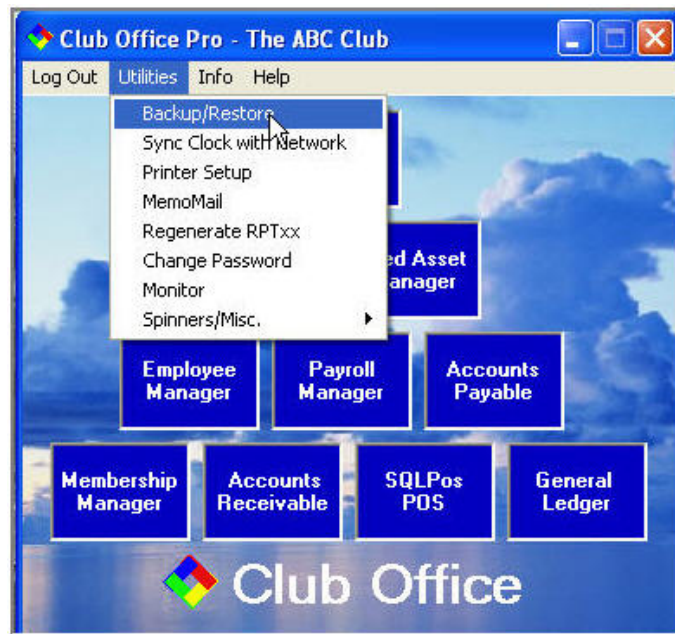
We will process your data, run it through some edits, and pass it by a validation program. The results will be faxed to you so you can validate that the results are correct. Once you tell us to go, we'll physically process the documents and send them to you.

For sending us your backup, you have several options. Perhaps the easiest is to get everyone off the system and make a copy of the CDCO folder to a CD that can be sent to us. Alternately, you can e-mail us the data base files or you can place them on our FTP site.

View Your Club Data Statement On Line.

On line statement viewing is a convenience for your members and your staff that you may want to consider. You might send members a "summarized" statement and have them view the details on line if they need additional information. Contact Club Data Sales for more information.

Holiday hours: Our office will be closed on December 25th, December 26th and January 1, 2007. Of course, emergency support is available.

From the team at Club Data, have a tremendous holiday season.

Bill Hallberg
Club Data Sales and Support
952-941-0855

Year End Processing Activities

There are certain processes that should be run at the end of the year to insure that YTD reports run in the following year are meaningful, that data bases are reset properly, and to allow for ongoing processing as needed

Areas where year end processes need to be addressed are in:
- Accounts Payable
- Accounts Receivable
- Payroll
- Inventory
- General Ledger

Accounts Payable: If you print 1099s, the 2006 1099-MISC is the same as 2005. and the software can print them for all vendors or selective vendors who have hit the $600+ barrier.
1. Process 1099's:
- Go into the Vendor module,
- Click FILE and choose EOY Functions.
- Select Recalculate Yearly Vendor Totals, using the FROM/TO dates appropriate to the year in question. This will recalculate vendor payments based on checks issued.
- Print 1099s.
2. Use the "End of Year Zero" Function to reset all vendors' YTD Purchases to zero
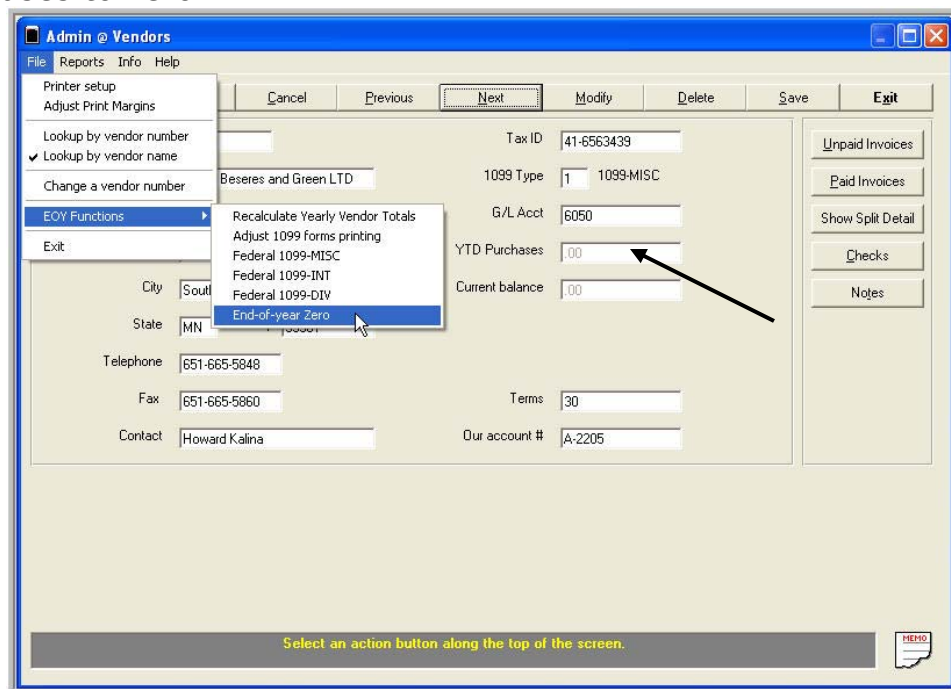
When: This is to be done after the final checks have been written and before the first checks for the new year.
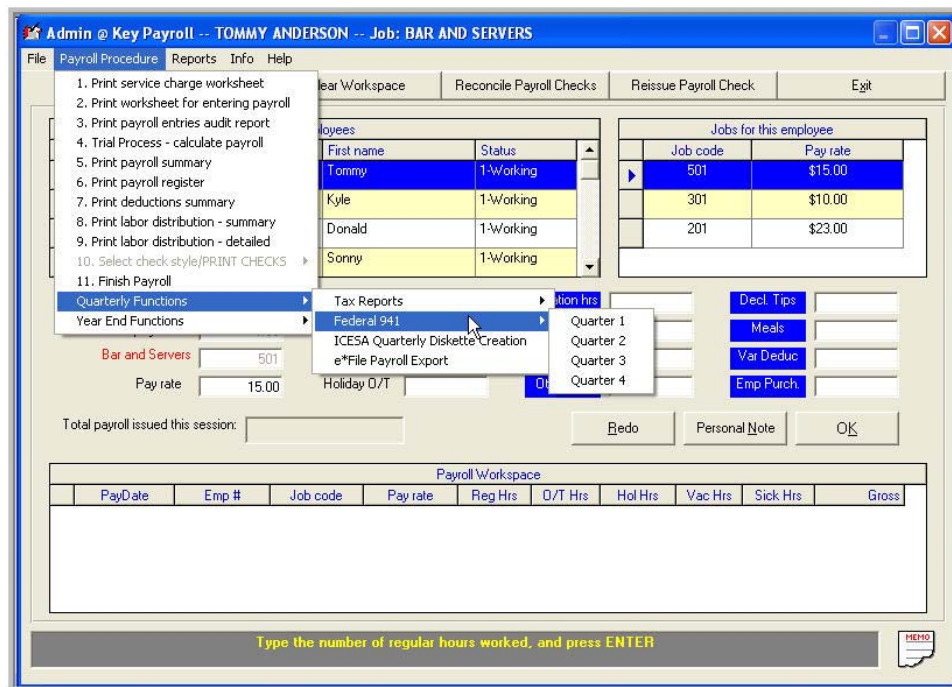
Year End Processing Activities

Accounts Receivable: There is nothing to do in A/R other than to make sure that December 2006's A/R has been finished. You probably don't want the December journal entries to show up in 2007 business! A/R is ongoing and runs month-to-month so there isn't a year-end function for it.

Payroll: Make sure all employees have been paid whatever they're supposed to have been paid, including bonuses, etc. so it all falls into 2006.

Important: If it's already January 2007 and you need to issue a bonus or something for 2006 payroll, you need to physically change the computer's date to 12/31/2006 so that the check date is issued into the correct year since the feds consider the "issue date" as the determining factor for whether an employee's earnings apply to one year or the next.

Otherwise, make sure the last payroll has been "finished" with resulting journal entries. Then the normal payroll finish stuff happens (W2s, etc., generating the data file to upload to the feds, and finally the payroll year-end zero process that zeros employee totals getting ready for the next year.)

Year End Processing Activities
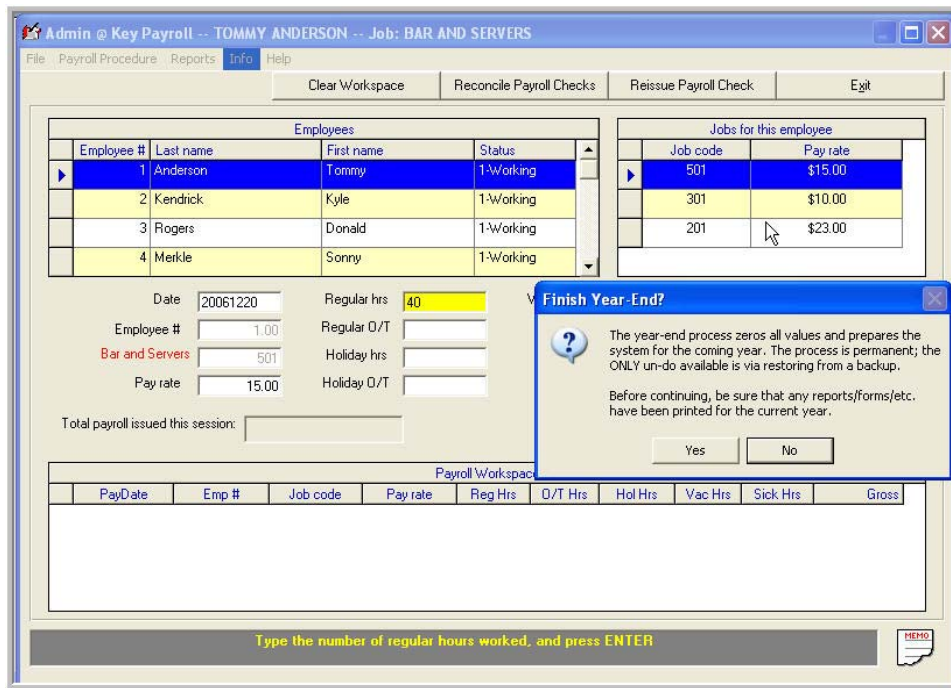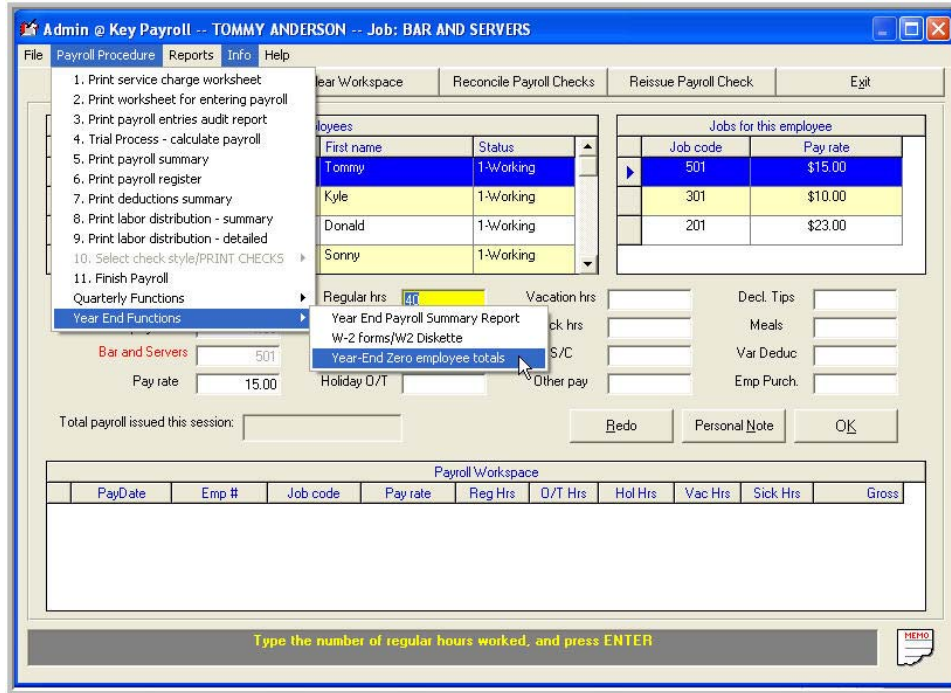
Year End Processing Activities

Inventory: Depending on your inventory control processes, you may want to take one of several steps to either update your inventory on hand quantities and / or update the quantities and pass the correct numbers to the general ledger.

Refresh the Inventory Quantities. This is a periodic process primarily for SQLPos users to take the sales transactions and decrement inventory and pass applicable sales data to the General Ledger.

Once inventory has been updated, you may want to take a physical inventory and make adjustments to Club Office as necessary.

Note: If inventory has been expensed at receipt time, just knowing the inventory quantities in stock compared to the expected quantities may just be an exercise in inventory awareness.

When: This is normally done prior to year end so year end /new year financials reflect the proper inventory and / or expenses.

Year End Processing Activities

The Inventory Journal Posting Report identifies transactions and amounts that have been passed to the G/L. If inventory has been expensed, these transactions should be deleted.

A cycle count taken at year end to record stock status quantities.might create inventory financial transactions that you may want to keep or delete.

General Ledger - If all journal entries (or all you expect, anyway) are done and it's January, make sure your G/L period is set to period 12. Repost the journal and print all of your reports. Then:
- Make sure nobody is in the system at all
- Make a backup of the whole system, and finally,
- Click the EOY button toward the top-right of the G/L module. It will ask a few simple questions and then it'll be off and doing its stuff.

Finishing the year is quite quick (only a moment or two, really) and when it's done, you'll be in period 1 of the next fiscal year with only balance sheet items having a balances forward and income while expense accounts are set to zero. Once in period 1, you can repost period 1 to get up to speed and show numbers for period 1.

Income and expense items will be zeroed and will be placed into a balance forward retained earnings account as defined in the "G/L Acct Prior Year's Surplus" field on the G/L configuration screen. (below)

If you are not ready to close the year, the system will allow you to keep the old year and the current year open simultaneously. It will take you into period 13, 14, or 15, as the calendar date moves on.

Year End Processing Activities

You can close periods 12, 13 or 14 (but not 15) without closing the year. When ready to close the year, change the G/L period back to period 12 and proceed to close the year.

Serious Note: When you are in periods after 12 (ie period 13), be very certain to place all batches into the period that you intend. For example, in A/P, if you place the batch in period 1, it will be in period 1 of the "old" year. If you put it in period 13, it will be in period 1 of the new year. **Be very careful when assigning periods when you have not closed out the year**.

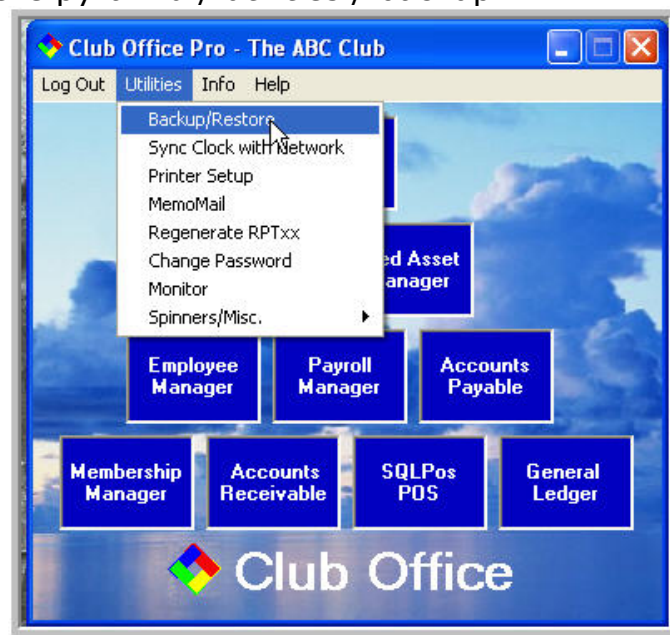**Also,** close your year as soon as possible to avoid complications.

Year End Processing Activities

Backup? Did we ever say backup? Backups are really important at this time of the year. Before you do any year-end stuff for any of the modules, you should make a full backup of the whole system. This gives you something to go back to in case you need it (nobody ever has, to my knowledge, but it's sure nice to have). Year-end processes are permanent and there is no "undo" button. The only way back is to restore from a backup.

Backups cannot be made when users are in the system!
Backup Methods:
- Copy the entire CDCO folder and the entire CDCONODE folder and place on a CD or other storage device.
- Go into the pyramid / utilities / backup.

Year End Processing Activities